

Introduction

Welcome to Ofcom's annual review of communications markets in Northern Ireland. This report gives an overview of the region's communications markets, examining availability, take-up and consumption of the internet, telecommunications, and broadcasting services, and comparing the findings with other nations and the UK as a whole.

This year's report shows that consumers in Northern Ireland are becoming increasingly technology-savvy, with around one in ten now owning a tablet computer such as an iPad, and eight per cent owning an e-reader such as a Kindle.

A third of adults now use their mobile phones to go online, reflecting a big increase in the ownership of smartphones – 34% of adults now own one, up from 21% a year ago. Around two-thirds of homes in Northern Ireland have a fixed-line internet connection, which is lower than the UK average of 76%. However, the region is well placed to benefit from significant investment in this area.

The Department of Enterprise, Trade and Investment (DETI)-funded Next Generation Broadband Project, completed in March 2012, has enabled Northern Ireland to have the highest availability of superfast broadband services in the UK. Ofcom estimates that 94% of homes in Northern Ireland had access to superfast broadband services by March 2012, compared to a UK-wide figure of 60%.

Our research shows that the internet is having an increasing impact on the lives of consumers. Among internet users, nearly three-quarters use it for shopping, while two-thirds use social networking sites. In total, nearly half of all adults in Northern Ireland use social networking sites (either on a PC or mobile phone), including Facebook and Twitter, marginally behind the UK average (52% of adults).

With an eye on digital switchover in October this year, our research shows that digital TV ownership stands at 91% of all homes. Last year's increase in satellite TV customers has been maintained, with take-up of these services stable at 51% - significantly higher than the UK average (41%). And Northern Ireland continues to have the highest proportion of TV households with pay TV (cable and satellite); at 63% compared with the UK average of 58%.

In nations news, UTV's early evening news bulletin continues to attract more viewers than the BBC equivalent, one of only two ITV regions where this is the case.

This is the first *Communications Market Report* to include research on Post. It shows that 30% of adults in Northern Ireland say they prefer to send emails rather than letters whenever possible. However, one in five say they would feel cut off from society without the postal service.

In research carried out for this year's *Communications Market Report*, the problem of inadvertent roaming has once again been highlighted. This occurs when a mobile phone user in one country roams onto a signal from another and in doing so, incurs international call charges. This particularly affects people living in border areas.

According to the latest research, 86% of mobile customers in border areas claim to have experienced mobile roaming, and one in six say they experience the problem every day. Potentially, this is a problem for 190,000 consumers in the border areas.

This report highlights the key stories of take-up and use of communications services, but we are also publishing the full results and charts in a searchable resource. This can be found online at www.ofcom.org.uk/cmnrnorthernireland

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Northern Ireland: setting the scene

Key facts about Northern Ireland

Figure	Northern Ireland	UK
Population	1.799m (mid-2010 estimate);	62.262m (mid-2010 estimate)
Age profile	Population aged <16: 21.2% Population aged 65+: 14.5%	Population aged <16: 18.6% Population aged 65+: 16.6%
Population Density	133 people per sq km	257 people per sq km
Urban versus rural	Approximately 580,000 people live in the Belfast metropolitan area – 35% of population live in a rural area	n/a
Language	Approximately 170,000, or 10.4% have some knowledge of Irish. Approximately 30,000, or 2%, claimed to be able to speak Ulster Scots ¹ .	n/a
Unemployment	7.3% of working age population	8.3% of the working age population
Income and expenditure	Weekly household income: £609 Weekly household expenditure: £482	Weekly household income: £699 Weekly household expenditure: £466

Source: Northern Ireland Statistical Research Agency; Office for National Statistics: Region and Country Profiles, Key Statistics - February 2012; Office for National Statistics: Family Spending 2011 edition.

¹ 1999 Northern Ireland Life and Times Survey. Research undertaken by the Ulster Scots Agency, puts the figure as high as 100,000.

A note on our survey research

We conducted a face-to-face survey of 3,772 respondents aged 16+ in the UK, with 508 interviews conducted in Northern Ireland. Quotas were set and weighting applied to ensure that the sample was representative of the population of Northern Ireland in terms of age, gender, socio-economic group and geographic location. Fieldwork took place in January and February 2012.

Respondents were defined as urban if they lived in a settlement with a population of 2000 or more and rural if they lived in areas with smaller populations. The survey sample in Northern Ireland has error margins of approximately +/- 3-4% at the 95% confidence level. In urban and rural areas; survey error margins are approximately +/-4-6%.

In addition to the survey data, this report refers to information from a range of other sources, including data provided to Ofcom by stakeholders. Tables summarising the data collected in our survey are published on Ofcom's website.

1 Northern Ireland's communications market

1.1 Introduction and key findings for Northern Ireland

Introduction

This section sets out a selection of the key facts and figures relating to communications markets in Northern Ireland in 2012, comparing and contrasting nations and highlighting changes that have taken place in the past year.

Key findings from Northern Ireland

Communications services during the economic downturn

- **Seven in ten people in Northern Ireland say they would spend less on communications services if they were forced to make cuts in spending.** This compares to around half (53%) of UK adults.
- **People in Northern Ireland are more likely to cut spend on pay TV than on other communications services.** At 30%, this is higher than the UK average (16%).
- **Around half of people in Northern Ireland say they will shop around for communications services in the next 12 months (52%),** which is higher than the UK average (36%). They are most likely to shop around for broadband services (34%), also above the UK average (23%).
- **Northern Ireland adults are more likely to put off purchasing a mobile phone (77%)** and carry on using the old one to save money, against half of all UK consumers.

A study into inadvertent roaming in Northern Ireland

This research was conducted as a follow-up to our research on inadvertent roaming in 2007, as well as to help us assess the impact of Eurotariffs and the growth in mobile data since then.

- **97% of mobile customers in South Armagh/South Down have experienced inadvertent roaming, and 30% encounter the problem every day.** In the East Derry/North Antrim area, three-quarters (75%) of mobile consumers encountered the problem.
- **Awareness of ways to help deal with the problem is low.** Three-quarters (75%) of mobile users are not aware of any tariffs that might help them deal with the problem. However, of those who did know about tariffs/bolt ons/price plans, nine in ten say that these save them money.
- **Inadvertent roaming affects mobile phone use.** Around two-thirds (67%) say that they do not go online; approximately half avoid inadvertent roaming by not making/receiving calls or sending texts.

TV and audio-visual content

- **Digital TV ownership stood at 91% of all TV homes in Q1 2012**, before the completion of digital switchover in October 2012. This is behind the UK average of 98%.
- **63% of TV homes in Northern Ireland have pay-TV services**, slightly higher than the UK average of 58%.
- **The combined channel share of the five main PSB channels declined by 14%** between 2006 and 2011, falling to 53% in 2011. This is in line with the UK average decline.
- **Spend on first-run originated programming by the BBC and UTV for viewers in Northern Ireland was down 36% since 2006**, giving Northern Ireland the largest decrease across the nations over a five-year period.
- **The number of first-run originated hours broadcast for viewers in Northern Ireland has decreased by 17% since 2006 to 931 hours.**

Radio and audio content

- **Across all the UK nations, take-up of DAB is lowest in Northern Ireland (22%).** Take-up is lower in rural areas (18%) where there are fewer stations.
- **Listening to BBC local stations is higher in Northern Ireland than in other UK nations.** BBC local stations accounted for 22% of listening hours in Northern Ireland, significantly higher than the UK average of 9%.

Internet and web-based content

- **Household take-up of broadband services in Northern Ireland was lower than the UK average in Q1 2012.** Take-up of fixed-line broadband (66%) and mobile broadband services (7%) in Northern Ireland were both lower than the UK averages (72% and 13% respectively) in Q1 2012. Overall, 69% of homes in Northern Ireland had a broadband connection (fixed or mobile) in Q1 2012.
- **Over-55s in Northern Ireland are significantly less likely to have broadband at home than in the rest of the UK.** Less than half (44%) of those aged 55+ had access to broadband services, compared to the equivalent UK average of 59%.
- **Over a third of adults in Northern Ireland access the internet on their mobile phone.** As smartphone penetration has risen from 21% to 34% of adults in Northern Ireland, so has the proportion of adults accessing the internet on their mobile; from 29% in Q1 2011 to 35% in Q1 2012. However, this was still lower than the UK average of 39%.
- **Nine per cent of households in Northern Ireland own a tablet computer, up by seven percentage points on Q1 2011.** Tablet take-up is higher in urban (11%) than in rural areas (6%).

Telecoms and networks

- **Northern Ireland had the highest household availability of superfast broadband services in March 2012, at 94%.** This was 34 percentage points higher than the UK average of 60%, mainly as a result of The Department of Enterprise, Trade and

Investment (DETI)'s Next Generation Broadband Project, which promoted the deployment of fibre optic services.

- **Household take-up of fixed telephony services was lower than average in Northern Ireland in Q1 2012 at 80%.** This was four percentage points lower than it had been a year previously, and four percentage points lower than the UK average of 84%.
- **Overall take-up of mobile telephony among adults in Northern Ireland was among the highest across the UK nations in Q1 2012, at 93%.** Nineteen per cent of homes in Northern Ireland used only mobile telephony in Q1 2012, slightly higher than the UK average of 15%.

Post

- **Adults in Northern Ireland receive fewer letters and cards than adults in the other parts of the UK.** The number of letters and cards received per week (6.4) appears to be lower than the UK average of 8.7 per week, as adults in Northern Ireland in our survey claimed to receive fewer items. The volume of letters and cards sent by adults in Northern Ireland is similar to the UK average of 3.1 items per month.
- **Adults in Northern Ireland are less likely to say that it is worth using post for important communications.** Fourteen per cent of adults in Northern Ireland agree that it is worth using post for important communications, the lowest across all UK nations and significantly lower than the UK average (34%).
- **Consumers in Northern Ireland claim to send post less regularly than in other nations.** Fewer consumers in Northern Ireland (49%) claim to send items of post regularly than the UK overall of 58%.

Media literacy

The *Adults' Media Literacy in the Nations* report is an annex to this report, and a summary of the key findings for Northern Ireland is included here.

- When asked which medium they would miss the most, more than four in ten adults in Northern Ireland (43%) say television, as with the UK overall (46%). Eighteen per cent would most miss using the internet, and 18% would most miss their mobile phone. One in ten (9%) would most miss listening to radio, and 4% reading newspapers/magazines.
- Concerns about media content are higher in Northern Ireland than the UK overall for each of: the internet (61% vs. 50%), television (54% vs. 39%) and mobile phones (29% vs. 20%). Adults in Northern Ireland with televisions in the household are also more likely to be concerned about offensive content (37% vs. 19%).
- Internet users in Northern Ireland are more likely, compared to all UK users, to say they would never provide their personal email address (19% vs. 12%) or their mobile phone number (30% vs. 21%) online.
- Internet users in Northern Ireland are more likely than all UK users to have suffered a negative experience online in the past 12 months (80% vs. 66%). Around two in three internet users in Northern Ireland have received spam/ unwanted emails in the past 12 months (65% vs. 51%), with two in five saying they have had a computer virus (41% vs. 29%). Seven per cent say they have had their credit card details stolen as a result of an online transaction, compared to 2% in the UK.

1.2 Fast facts

Figure 1.1 Fast facts for Northern Ireland

	UK	England	Scotland	Wales	Northern Ireland	UK urban	UK Rural	NI urban	NI rural
Digital TV take-up among TV homes	98 ↑+2	97	99	99	91 ⁻	97 ↑+2	98 ↑+4	93 ⁻	88
Broadband take-up	76	78	68 ⁻ ↑+7	68 ⁻	69 ⁻	76	77	69 ⁻	69 ⁻
Mobile broadband take-up	13	13	12	16	7 ⁻	13	10	7 ⁻	8 ⁻
Mobile phone take-up	92	93	85 ⁻	92 ↑+5	93	92	92	94	92
Use mobile to access internet	39 ↑+7	40 ↑+6	31 ⁻ ↑+10	39 ↑+14	35 ↑+6	39 ↑+5	35 ↑+12	36	35 ↑+13
Smartphone take-up	39 ↑+12	40 ↑+11	32 ⁻ ↑+14	39 ↑+14	34 ↑+13	39 ↑+12	37 ↑+10	36 ↑+10	30 ⁻ ↑+13
Fixed landline take-up	84	85	82	80	84	83	91 ⁺	79	83
Households taking bundles	57 ↑+4	58 ↑+4	47 ⁻	47 ⁻	51 ⁻ ↑+5	57 ↑+3	56 ↑+11	53	46 ⁻ ↑+10
DAB ownership amongst radio listeners	38	40	29 ⁻	29 ⁻	22 ⁻	38	41	25 ⁻	18 ⁻
Smart TV ownership among TV homes	5	5	4	3	4	5	4	4	3
Tablet computer take-up	11 ↑+9	11 ↑+9	11 ↑+10	8 ↑+6	9 ↑+7	11 ↑+9	11 ↑+9	11 ↑+8	6 ⁻ ↑+4
E-reader take-up (personal use)	10 ↑+7	10 ↑+7	8 ↑+6	13 ↑+10	8 ↑+5	11 ↑+8	15 ⁺ ↑+12	10 ↑+7	6
Fixed telephony availability	100	100	100	100	100				
Fixed broadband availability ¹	99.98	100.00	99.87	100.00	100.00				
LLU availability ²	92	93	84	88	79				
Cable broadband availability ³	44	47	35	23	29				
FTTC broadband availability ⁴	31	33	10	17	87				
Superfast broadband availability ⁵	60	62	42	34	94				
2G mobile availability ⁶	99.7	99.8	99.2	99.2	98.7				
3G mobile availability ⁷	99.1	99.7	97.0	97.6	88.3				
DTT availability ⁸	97	98	99	98	66				
TV consumption (hours per day) ⁹	4.0	3.6-4.5	4.5	4.4	4.2				
Radio consumption (hours per day)	3.2	3.2	3.1	3.3	3.2				

Key: ⁺ Figure is significantly higher than UK average; ⁻ Figure is significantly lower than UK average;
 ↑+xx Figures has risen significantly by xx percentage points since 2011

Source: Ofcom Research Q1 2012, BARB, RAJAR, Industry data. Base: All adults aged 16+ (+ (n = 3772 UK, 513 Wales, 2251 England, 500 Scotland, 508 Northern Ireland, 2731 UK urban, 1041 UK

rural, 1963 England urban, 288 England rural, 264 Scotland urban, 236 Scotland rural, 249 Wales urban, 264 Wales rural, 255 Northern Ireland urban, 253 Northern Ireland rural)

Notes: BARB data based on all individuals (aged 4+). PSBs = BBC One, BBC Two, ITV1, C4, Five. RAJAR data based on all adults (aged 16+). PSBs = all BBC radio. National data based on TSA's of BBC Radio stations of respective nations. DAB radio uptake is sourced from Ofcom's technology tracker.

1. Proportion of premises able to receive ADSL broadband services based on data reported by BT
2. Proportion of households connected to an LLU-enabled exchange
3. Proportion of households passed by Virgin Media's broadband-enabled network; excludes homes where Virgin Media is not also able to provide fixed voice and pay-TV cable services.
4. Ofcom estimate of the proportion of households able to receive FTTC services
5. Ofcom estimate of the proportion of households able to receive superfast broadband services
6. Proportion of premises that have outdoor 2G mobile coverage from at least one operator
7. Proportion of premises that have outdoor 3G mobile coverage from at least one operator
8. Availability of 17 services. Ofcom estimates.
9. These figures are based on the share of viewing to the main five PSB channels only. It is not possible to provide a single figure for 'England' so instead a range is displayed reflecting the regions with the highest and lowest figures respectively.

1.3 Communications services during the economic downturn

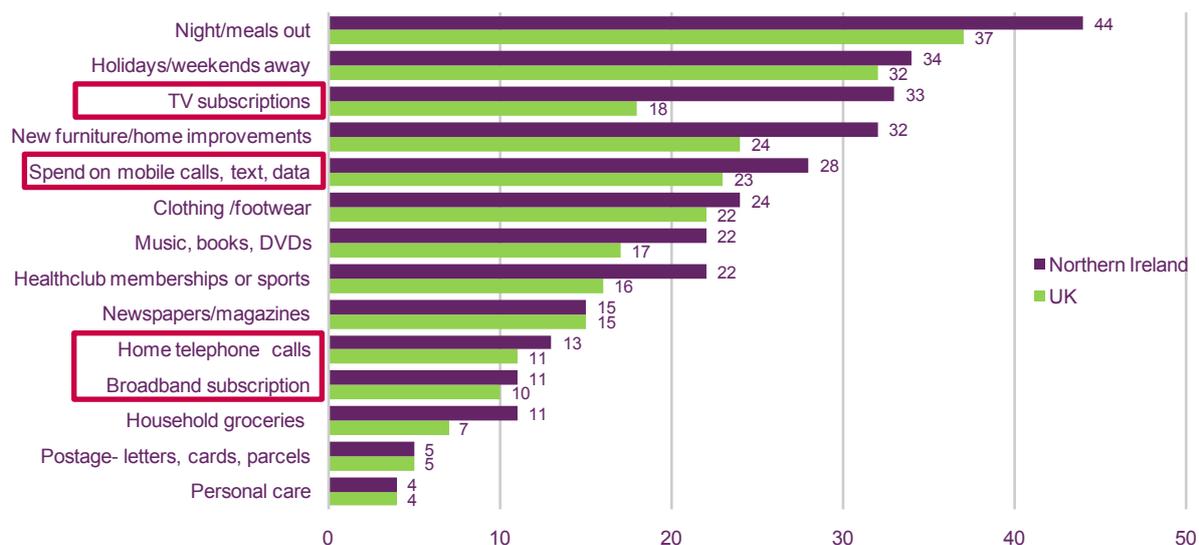
Since the last *Communications Market Report* was published in August 2011, the UK economy has officially fallen back into recession. This section explores the impact on attitudes towards spending on communications services in the context of the economic downturn. It summarises the findings of an omnibus survey commissioned in February/ March 2012.

Consumers in Northern Ireland are less willing to cut back spending on communication services than on other items

Our research shows that consumers say they value communications service more than other items, as the economic downturn continues.

Figure 1.2 shows that if forced to reduce spending, consumers in Northern Ireland are more likely to cut back on items such as nights out (44%) or holidays/weekends away (34%), than most communication services. A third (33%) say that they would cut spend on TV subscriptions.

Figure 1.2 Items and services where consumers are most likely to cut back their spending



Source: Ofcom Attitudes toward spending research, 2012

Base: All adults aged 16+ (n=2124 UK, 1726 England, 182 Scotland, 99 Wales, and 117 Northern Ireland)

Q: If you were forced to cut back spending, which of the following items/services would you be likely to spend less on? (Multichoice)

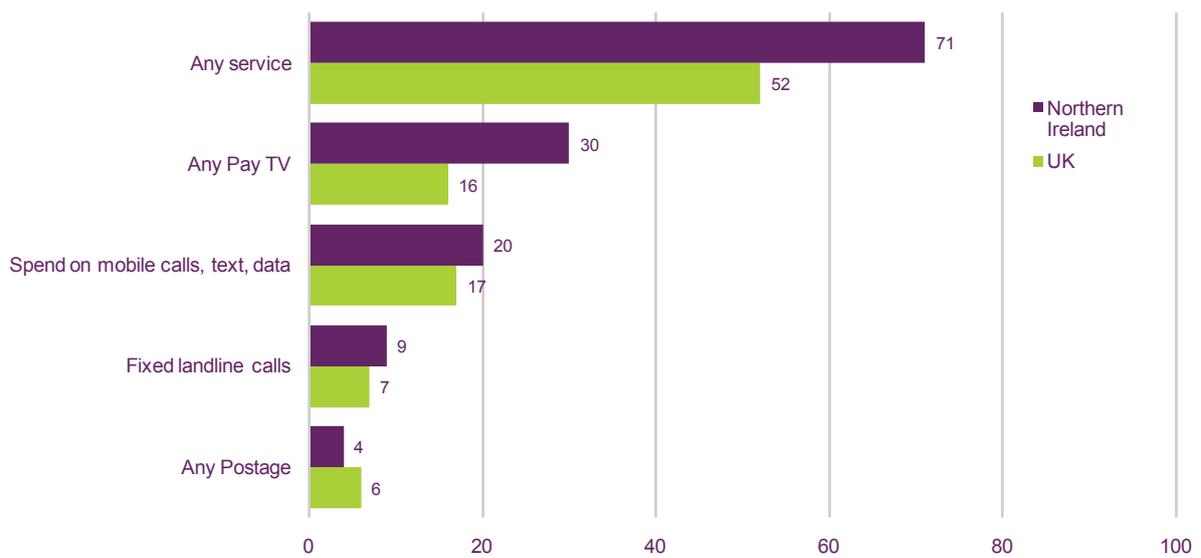
Seven in ten people in Northern Ireland say they would spend less on communications services if they were forced to cut down on spending

When asked whether they would make cuts on any communication services if they were forced to cut overall spend, 71% of people in Northern Ireland said they would. This is higher than the UK average of 52% and the highest of all the nations.

People in Northern Ireland are more likely to cut spending on pay TV than on other communication services. Around one third (30%) in Northern Ireland would cut spend on this, higher than the UK average of 16%.

The next service people would cut is mobile phone calls, text and data (20%), similar to the UK overall at 17%.

Figure 1.3 Single service most likely to cut spending on



Source: Ofcom Attitudes toward spending research, 2012

Base: All adults who have a named service (n=2059 UK, 1662 England, 181 Scotland, 99 Wales, and 117 Northern Ireland)

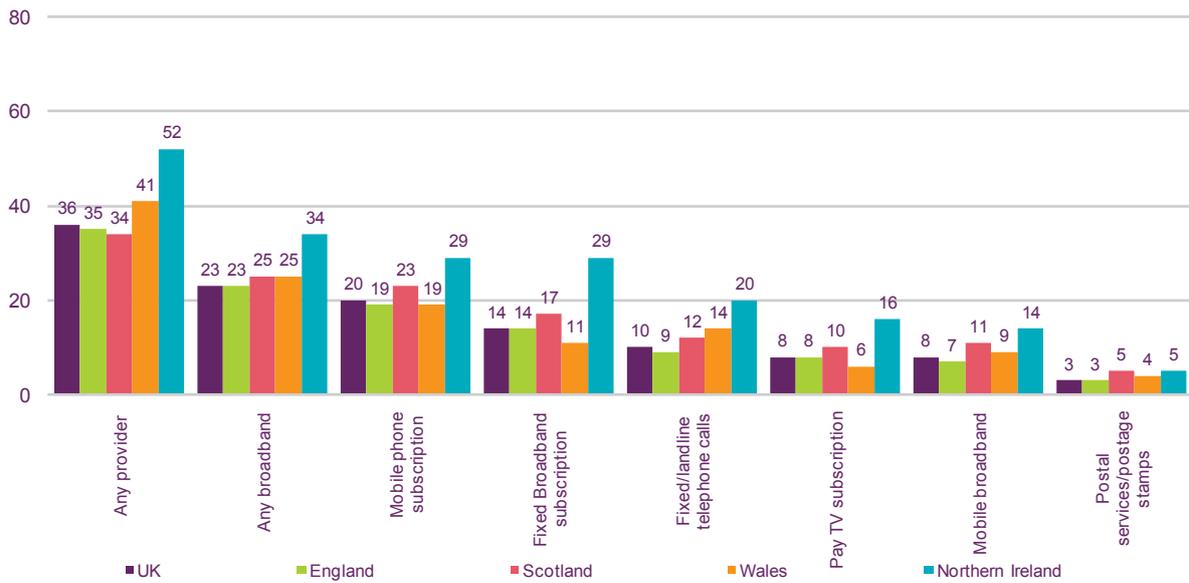
Q: And which ONE of the following services would you be MOST LIKELY to cut back spending on? (Single choice)

Around half of people in Northern Ireland say they are more likely to shop around for communication services, compared to a year ago

Just over half (52%) of people in Northern Ireland say they are more likely to shop around for communication services than they were a year ago. This is higher than the UK average (36%).

People in Northern Ireland are more likely to say they will shop around for each of the communications services asked about. They are most likely to shop around for broadband services (34%), also above the UK average (23%).

Figure 1.4 Services consumers are more likely to shop around for than a year ago



Q12: And which of the following are you MORE LIKELY to shop around for than you were 12 months ago? (Multi-choice)

Source: Ofcom Attitudes toward spending research, 2012

Base: All UK adults aged 16+ n = 2124

People in Northern Ireland are more likely to consider taking communications services as a bundle than in the UK as a whole

Fifty-five per cent of consumers in Northern Ireland agree that they would take bundled communications services from a single supplier in order to save money. This is higher than in the UK overall (41%) and the highest of all the UK nations.

Figure 1.5 Consumers' agreement/disagreement that they were more likely to take communications services in a bundle

Proportion of respondents (%)



Source: Ofcom Attitudes to spending omnibus research, 2012

Base: total sample (n=2124) England (n= 1726), Scotland (n=182), Wales (n=99), Northern Ireland, (n=117)

Q: Please tell me the extent you agree or disagree with... 'I'm more likely to consider purchasing TV, broadband, and phone services in a package from the same supplier as it offers better value for money'

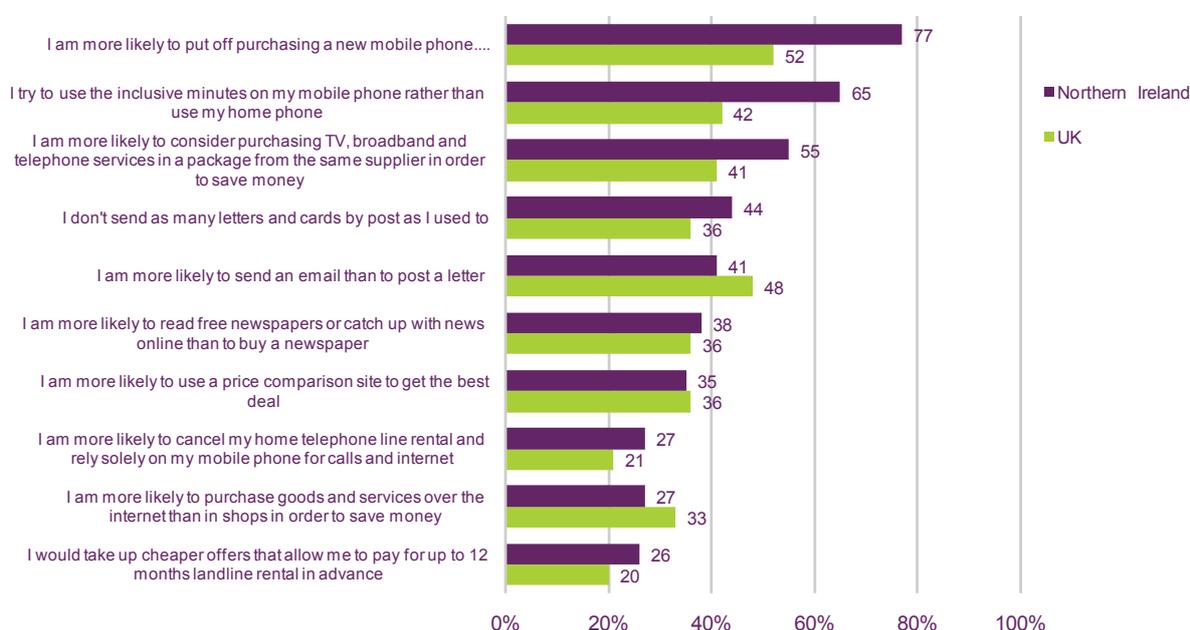
People in Northern Ireland are more likely to put off buying a new mobile handset to save money

Consumers were read a series of statements about how their attitudes to spending on communication services may have changed during the economic downturn.

Three-quarters (77%) of people in Northern Ireland agreed that they are likely to put off buying a new mobile phone and will continue to use their old handset. This compares to the UK average of 52%.

Two-thirds (65%) of consumers in Northern Ireland (compared to 42% in the UK) agree that they try to use the inclusive minutes on their mobile phone package rather than use their landline to make calls.

Figure 1.6 Northern Ireland consumers' attitude to spending on communications services in the economic downturn



Q: Here are some things other people have said about how the economic down turn has changed their spending on TV, broadband, mobile and land telephone services. Please tell me to what extent you agree or disagree with the following statements

Source: Ofcom Attitudes toward spending research, 2012

Base: Adults in Northern Ireland aged 16+ n = 117

1.4 Inadvertent roaming research

Background

Inadvertent roaming, where a mobile phone user in Northern Ireland roams onto a network in the Republic of Ireland (RoI) and incurs extra costs for doing so, continues to be a problem for consumers in Northern Ireland.

In order to better understand how consumers are affected by this problem, we commissioned consumer research among mobile phone users in border areas.

Following initial research in 2007 into inadvertent roaming in five border areas, we concentrated on the two worst-affected areas in the 2007 study; East Derry/North Antrim and

South Armagh/ South Down. Research was conducted during March and April 2012 in the form of 412 face-to-face street questionnaires among mobile consumers aged 16+. Of this sample, 45 respondents who had experienced inadvertent roaming in the past year went on to complete a seven-day diary of their experiences.

Inadvertent roaming occurs when a consumer unwittingly or unavoidably makes or receives a call, sends/receives a text message or uses data/accesses the internet on their phone, on a network on the other side of the border.

Ofcom last carried out research into inadvertent roaming in 2007, just before Eurotariffs were introduced. These price caps, introduced by means of an EC Regulation, were the first time a limit had been placed on roaming charges¹. This follow-up research was conducted to help us assess their impact as well as the growth in mobile data since then.

Lower price caps, due to be introduced in July 2012 by the European Union, will see roaming charges reduced for voice calls and texts. The rules will also see the introduction of a cap on data roaming charges. These will reduce the unit price of using roaming services and potentially lower the cost of inadvertent roaming; however, the overall cost to consumers may not decrease as use continues to increase.

Research objectives

- To understand (quantitatively) the extent and impact of inadvertent mobile roaming for consumers in Northern Ireland.
- To measure the frequency with which consumers in these areas experience inadvertent roaming, with regard to phone calls, text messaging and using data on mobile handsets.
- To measure awareness and use of tariffs offered by operators to deal with the problem
- To obtain information to make an estimate of the costs incurred by the consumers affected

Below is a summary of the key findings. The full research report is published as an annex here: www.ofcom.org.uk/....

The majority of mobile phone customers in border areas are aware of inadvertent roaming, with awareness lowest around the use of data/accessing the internet

Ninety-three per cent of all respondents are aware of the problem, with 72% claiming to have a high level of awareness (they either fully understand or have heard a lot about inadvertent roaming).

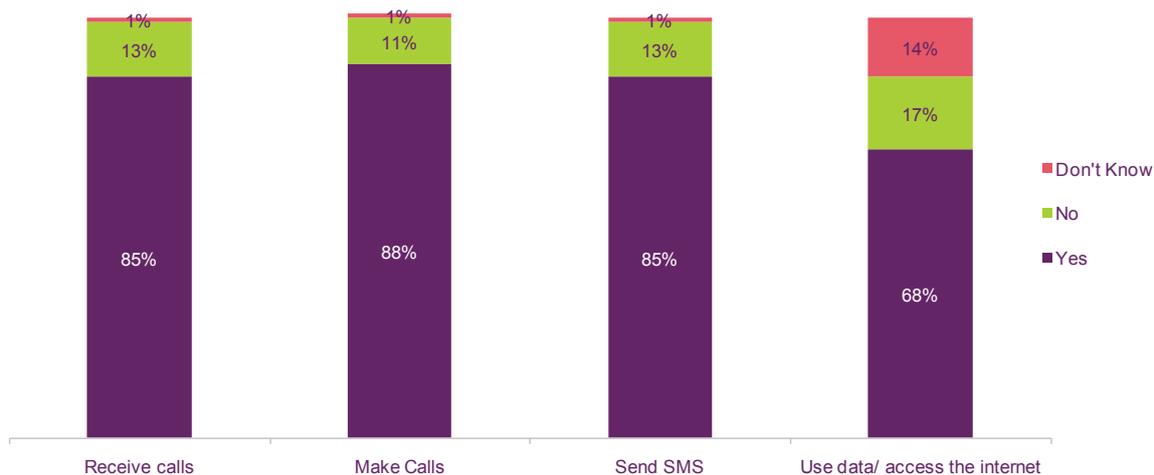
Awareness of inadvertent roaming was lowest in relation to using a mobile to access data/ the internet. Sixty-eight per cent of respondents were aware that they might incur charges if their mobile picks up an RoI network while they are still in Northern Ireland when accessing the internet, compared to 88% who are aware of this problem when making calls (Figure 1.7).

¹ Regulation (EC) No 717/2007 of the European Parliament and of the Council of 27 June 2007, as amended by Regulation (EC) No 544/2009 of the European Parliament and of the Council of 18 June 2009.

Those in younger age groups were the most likely to be aware that they might have to pay more than their normal rate to use data/access the internet if their mobile handset roams to a RoI network. Eighty-three per cent of those aged 16-24, and 76% of those aged 25-44 were aware of this, compared to 51% of those aged 45+.

Awareness was also higher in South Armagh/ South Down (98% had heard of the problem) where incidence of inadvertent roaming was higher, than in East Derry/ North Antrim, where 88% of mobile consumers were aware of the issue.

Figure 1.7 Awareness of inadvertent roaming among mobile users in Northern Ireland



Source: Ofcom research, fieldwork carried out by SRB in March and April 2012

Base: All respondents: 2012: 412

QA4/ QA5/ Q6/ QA7 - Before today were you aware that if your mobile handset picks up a Republic of Ireland signal while you are still in Northern Ireland you may have to pay to receive calls / to make calls/ send text messages/ use data/access to the internet

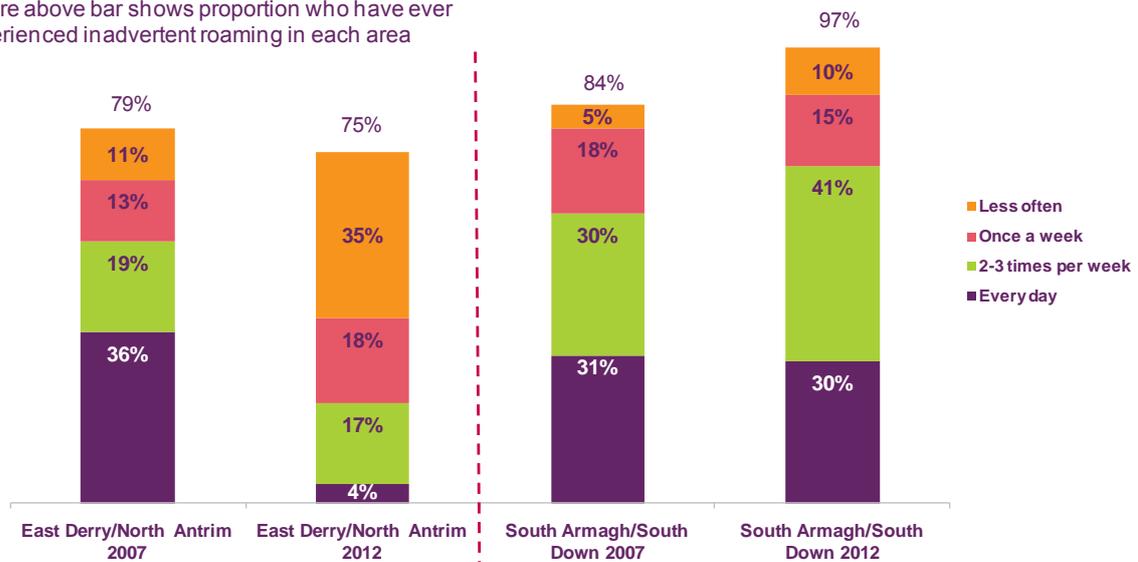
Nearly nine in ten mobile customers in South Armagh/ South Down experience inadvertent roaming at least once a week

Of the two areas studied, South Armagh/South Down was the most affected; 30% of consumers encounter the problem every day and 87% experience it at least once a week. Almost all mobile consumers (97%) in this area have experienced inadvertent roaming at some point.

In comparison, the problem appears to be less prevalent in East Derry/ North Antrim, although three-quarters of consumers here had also experienced inadvertent roaming (75%). Only 4% of these experienced the problem every day.

Figure 1.8 Frequency of inadvertent roaming

Figure above bar shows proportion who have ever experienced inadvertent roaming in each area



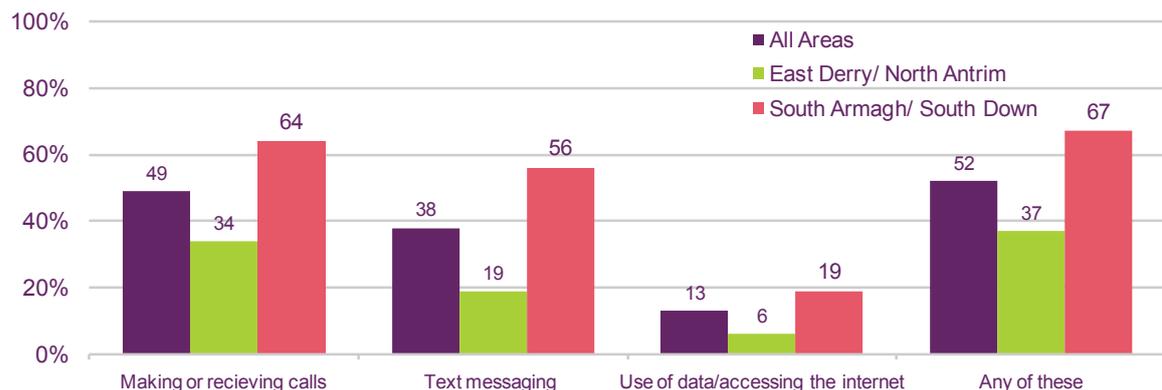
Source: Ofcom research, fieldwork carried out by SRB in March and April 2012

Base: All respondents: 2012: 412, East Derry/North Antrim 202, South Armagh/South Down: 210
QA2. Have you EVER picked up a REPUBLIC OF IRELAND network on your mobile handset when in NORTHERN IRELAND? /QB2 How often does this occur?

Half of respondents claim to have incurred charges due to inadvertent roaming

Half of all mobile consumers (52%) claimed to have incurred extra charges as a result of roaming to a Republic of Ireland network while still in Northern Ireland. Consumers were most likely to incur charges when making or receiving calls, with 49% claiming to have had extra costs on their bill as a result. Those in South Armagh/South Down – the worst affected area – were more likely to incur extra charges through calls, text messaging and using data.

Figure 1.9 Percentage of consumers who incur extra charges because of problem



Source: Ofcom research, fieldwork carried out by SRB in March and April 2012

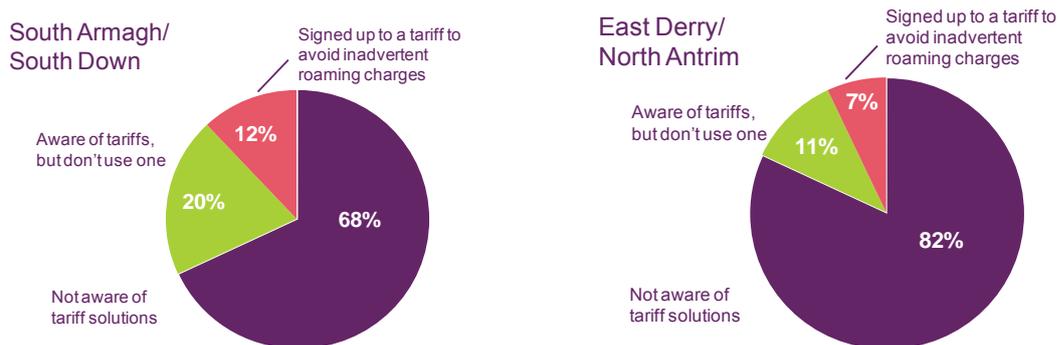
Base: All respondents: 2012 412, Area 1: 202, Area 5: 210

QA8: Have you ever to your knowledge had extra costs on your mobile phone bill that relate to your mobile phone picking up a Republic of Ireland tariff when you are in Northern Ireland for any of the following?

Three-quarters of mobile consumers are unaware of tariff solutions to manage the cost of inadvertent roaming

Overall, 75% of consumers are unaware of any special tariffs, price plans or 'bolt-ons' available from their network provider to deal with the problem. Furthermore, only 9% of consumers have signed up to one of these. Figure 1.10 shows that awareness of tariff solutions varies across the two areas studied; people in South Armagh/ South Down, where inadvertent roaming occurs more frequently, are more likely to be aware of these tariffs than those in East Derry/ North Antrim (32% vs. 18%).

Figure 1.10 Awareness of tariff solutions to deal with inadvertent roaming



Source: Ofcom research, fieldwork carried out by SRB in March and April 2012

Base: All respondents: 2012: 412, East Derry/North Antrim 202, South Armagh/South Down: 210

QA9: Are you aware of any special tariffs, price plans or 'bolt-ons' available from your network provider to deal with the problem?/ QA10: Do you currently use one?

Nine in ten consumers with a special tariff claim it saves them money

Despite the low awareness of tariff solutions, 92% of those who were on a special tariff, price plan or 'bolt-on' to deal with the issue claimed it saved them money on at least one of the following: calls made, calls received, text messages sent, using data/going online via the phone.

When inadvertent roaming occurs, special tariffs or 'bolt-ons' were most likely to save consumers money on making calls, with 76% of consumers on such a tariff claiming it reduces these roaming costs. This is in contrast to the 44% who said such price plans saved them money when using data/going online using their phone

Of those who were aware of tariff solutions but did not use them, the main reasons given were that they were 'too expensive', or they 'are not affected often enough to make it worthwhile'.

Inadvertent roaming has a significant impact on usage for consumers in the border areas

Consumers cope with the problem of inadvertent roaming mainly by avoiding using their phone. In all instances (call/ text/ online), at least 45% of those who had previously experienced inadvertent roaming claimed they would never send a text, make an outgoing call, or answer an incoming call if they knew they were on a Republic of Ireland network. This is particularly true in relation to use of data / going online, as 67% of consumers who had experienced inadvertent roaming said they would never go online if they knew their phone had inadvertently roamed to a RoI network (Figure 1.11).

Figure 1.11 The impact of inadvertent roaming on phone usage



Source: Ofcom research, fieldwork carried out by SRB in March and April 2012

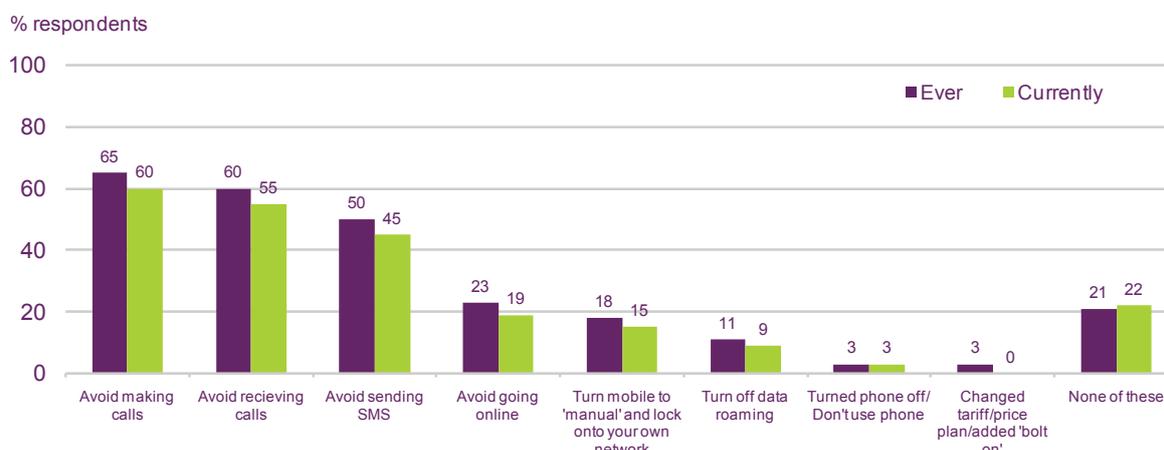
Base: Respondents who have experienced IR: 355

QB10: If you know you are on a REPUBLIC OF IRELAND network while in Northern Ireland and there is an incoming call, would you answer it?

QB11: If you know you are on a REPUBLIC OF IRELAND network while in Northern Ireland and you wanted to make an outgoing call/ to send a text message/ wanted to use your mobile phone to access the internet would you make/ send it/ go online?

In addition to avoiding using their phone, Figure 1.12 shows that about one in five consumers who have experienced inadvertent roaming have changed their phone settings in some way (e.g. by manually 'locking' onto own network (15%) or by turning off data roaming (9%).

Figure 1.12 Methods used to avoid extra charges from inadvertent roaming



Source: Ofcom research, fieldwork carried out by SRB in March and April 2012

Base: Those who have ever picked up a ROI network when in Northern Ireland/ those who have ever experienced inadvertent roaming: 355

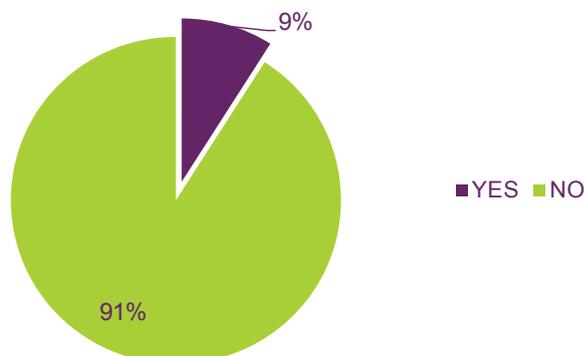
QB8: Have you ever done any of the following things to avoid paying extra charges when you pick up a Republic of Ireland network?/ QB9: And which of these things do you currently do?

Only one in ten affected consumers make a complaint

Of those affected by inadvertent roaming, only 9% have made a complaint, with the majority contacting their mobile operator. Survey responses suggested that the advice given often did

not address the problem – about half of those who complained were dissatisfied with the response and advice they received.

Figure 1.13 Proportion of respondents who have experienced inadvertent roaming and made a complaint



Source: Ofcom research, fieldwork carried out by SRB in March and April 2012

Base: Those that have ever picked up a ROI network when in Northern Ireland/ those who have ever experienced inadvertent roaming: 355

QB3: Have you ever complained to anyone about this?

Financial impact on consumers

On average a mobile customer in the East Derry/ North Antrim border area can expect to incur a cost because of inadvertent roaming once every two days. This rises to an average 2.5 cost-incurring instances per day for mobile consumers in South Armagh/ South Down.

If the average length of a mobile phone call made or received is assumed to last one minute, the total estimated additional cost to mobile customers of inadvertent roaming would be approximately £100 per year in East Derry/ North Antrim, and up to £300 in South Armagh/ South Down. This includes the costs of incoming and outgoing calls, texts sent, and data roaming.

These are likely to be higher-end estimates, as the costs are based on daily price caps for data roaming (on average £1.40 per day). However, the figures do not take account of consumers from elsewhere in Northern Ireland, or indeed from elsewhere in the UK, who may also experience inadvertent roaming when visiting a border area, although less often than those interviewed.

There is also a significant (though unquantifiable) 'opportunity cost' to mobile customers who choose not to make or take calls when they experience inadvertent roaming (49% of those who experience inadvertent roaming say that they would never make calls, and 67% said they would never go online, if they were on a Republic of Ireland network while in Northern Ireland). This study does not attempt to measure this 'opportunity cost' of calls that are not made, texts not sent or internet not used.

These estimates are based on call cost data from Pure Pricing². The workings and assumptions are detailed in Annex B of this report.

² www.purepricing.com